

(g) You may certify using both provisions of this section and the innovative technology provisions of § 1037.610, provided you do not double count emission benefits.

[76 FR 57398, Sept. 15, 2011, as amended at 78 FR 36393, June 17, 2013]

§ 1037.620 Shipment of incomplete vehicles to secondary vehicle manufacturers.

This section specifies how manufacturers may introduce partially complete vehicles into U.S. commerce.

(a) The provisions of this section allow manufacturers to ship partially complete vehicles to secondary vehicle manufacturers or otherwise introduce them into U.S. commerce in the following circumstances:

(1) *Tractors.* Manufacturers may introduce partially complete tractors into U.S. commerce if they are covered by a certificate of conformity for tractors and will be in their certified tractor configuration before they reach the ultimate purchasers. For example, this would apply for sleepers initially shipped without the sleeper compartments attached. Note that delegated assembly provisions may apply (see 40 CFR 1068.261).

(2) *Vocational vehicles.* Manufacturers may introduce partially complete vocational vehicles into U.S. commerce if they are covered by a certificate of conformity for vocational vehicles and will be in their certified vocational configuration before they reach the ultimate purchasers. Note that delegated assembly provisions may apply (see 40 CFR 1068.261).

(3) *Uncertified vehicles that will be certified by secondary vehicle manufacturers.* Manufacturers may introduce into U.S. commerce partially complete vehicles for which they do not hold a certificate of conformity only as allowed by paragraph (b) of this section; however, the requirements of this section do not apply if vehicles produced by a secondary vehicle manufacturer are excluded from the standards of this part under § 1037.150(c).

(b) The provisions of this paragraph (b) generally apply where the secondary vehicle manufacturer has substantial control over the design and assembly of emission controls. In deter-

mining whether a manufacturer has substantial control over the design and assembly of emission controls, we would consider the degree to which the secondary manufacturer would be able to ensure that the engine and vehicle will conform to the regulations in their final configurations.

(1) A secondary manufacturer may finish assembly of partially complete vehicles in the following cases:

(i) It obtains a vehicle that is not fully assembled with the intent to manufacture a complete vehicle in a certified configuration.

(ii) It obtains a vehicle with the intent to modify it to a certified configuration before it reaches the ultimate purchaser. For example, this may apply for converting a gasoline-fueled vehicle to operate on natural gas under the terms of a valid certificate.

(2) Manufacturers may introduce partially complete vehicles into U.S. commerce as described in this paragraph (b) if they have a written request for such vehicles from a secondary vehicle manufacturer that will finish the vehicle assembly and has certified the vehicle (or the vehicle has been exempted or excluded from the requirements of this part). The written request must include a statement that the secondary manufacturer has a certificate of conformity (or exemption/exclusion) for the vehicle and identify a valid vehicle family name associated with each vehicle model ordered (or the basis for an exemption/exclusion). The original vehicle manufacturer must apply a removable label meeting the requirements of 40 CFR 1068.45 that identifies the corporate name of the original manufacturer and states that the vehicle is exempt under the provisions of § 1037.620. The name of the certifying manufacturer must also be on the label or, alternatively, on the bill of lading that accompanies the vehicles during shipment. The original manufacturer may not apply a permanent emission control information label identifying the vehicle's eventual status as a certified vehicle.

(3) If you are the secondary manufacturer and you will hold the certificate, you must include the following information in your application for certification:

(i) Identify the original manufacturer of the partially complete vehicle or of the complete vehicle you will modify.

(ii) Describe briefly how and where final assembly will be completed. Specify how you have the ability to ensure that the vehicles will conform to the regulations in their final configuration. (Note: This section prohibits using the provisions of this paragraph (b) unless you have substantial control over the design and assembly of emission controls.)

(iii) State unconditionally that you will not distribute the vehicles without conforming to all applicable regulations.

(4) If you are a secondary manufacturer and you are already a certificate holder for other families, you may receive shipment of partially complete vehicles after you apply for a certificate of conformity but before the certificate's effective date. This exemption allows the original manufacturer to ship vehicles after you have applied for a certificate of conformity. Manufacturers may introduce partially complete vehicles into U.S. commerce as described in this paragraph (b)(4) if they have a written request for such vehicles from a secondary manufacturer stating that the application for certification has been submitted (instead of the information we specify in paragraph (b)(2) of this section). We may set additional conditions under this paragraph (b)(4) to prevent circumvention of regulatory requirements.

(5) Both original and secondary manufacturers must keep the records described in this section for at least five years, including the written request for exempted vehicles and the bill of lading for each shipment (if applicable). The written request is deemed to be a submission to EPA.

(6) These provisions are intended only to allow secondary manufacturers to obtain or transport vehicles in the specific circumstances identified in this section so any exemption under this section expires when the vehicle reaches the point of final assembly identified in paragraph (b)(3)(ii) of this section.

(7) For purposes of this section, an allowance to introduce partially com-

plete vehicles into U.S. commerce includes a conditional allowance to sell, introduce, or deliver such vehicles into commerce in the United States or import them into the United States. It does not include a general allowance to offer such vehicles for sale because this exemption is intended to apply only for cases in which the certificate holder already has an arrangement to purchase the vehicles from the original manufacturer. This exemption does not allow the original manufacturer to subsequently offer the vehicles for sale to a different manufacturer who will hold the certificate unless that second manufacturer has also complied with the requirements of this part. The exemption does not apply for any individual vehicles that are not labeled as specified in this section or which are shipped to someone who is not a certificate holder.

(8) We may suspend, revoke, or void an exemption under this section, as follows:

(i) We may suspend or revoke your exemption if you fail to meet the requirements of this section. We may suspend or revoke an exemption related to a specific secondary manufacturer if that manufacturer sells vehicles that are in not in a certified configuration in violation of the regulations. We may disallow this exemption for future shipments to the affected secondary manufacturer or set additional conditions to ensure that vehicles will be assembled in the certified configuration.

(ii) We may void an exemption for all the affected vehicles if you intentionally submit false or incomplete information or fail to keep and provide to EPA the records required by this section.

(iii) The exemption is void for a vehicle that is shipped to a company that is not a certificate holder or for a vehicle that is shipped to a secondary manufacturer that is not in compliance with the requirements of this section.

(iv) The secondary manufacturer may be liable for penalties for causing a prohibited act where the exemption is voided due to actions on the part of the secondary manufacturer.

(c) Provide instructions along with partially complete vehicles including

all information necessary to ensure that an engine will be installed in its certified configuration.

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§ 1037.630 Special purpose tractors.

(a) *General provisions.* This section allows a vehicle manufacturer to reclassify certain tractors as vocational tractors. Vocational tractors are treated as vocational vehicles and are exempt from the standards of § 1037.106. Note that references to “tractors” outside of this section mean non-vocational tractors.

(1) This allowance is intended only for vehicles that do not typically operate at highway speeds, or would otherwise not benefit from efficiency improvements designed for line-haul tractors. This allowance is limited to the following vehicle and application types:

(i) Low-roof tractors intended for intra-city pickup and delivery, such as those that deliver bottled beverages to retail stores.

(ii) Tractors intended for off-road operation (including mixed service operation), such as those with reinforced frames and increased ground clearance.

(iii) Tractors with a GCWR over 120,000 pounds.

(2) Where we determine that a manufacturer is not applying this allowance in good faith, we may require the manufacturer to obtain preliminary approval before using this allowance.

(b) *Requirements.* The following requirements apply with respect to tractors reclassified under this section:

(1) The vehicle must fully conform to all requirements applicable to vocational vehicles under this part.

(2) Vehicles reclassified under this section must be certified as a separate vehicle family. However, they remain part of the vocational regulatory subcategory and averaging set that applies for their weight class.

(3) You must include the following additional statement on the vehicle's emission control information label under § 1037.135: “THIS VEHICLE WAS CERTIFIED AS A VOCATIONAL TRACTOR UNDER 40 CFR 1037.630.”.

(4) You must keep records for three years to document your basis for be-

lieving the vehicles will be used as described in paragraph (a)(1) of this section. Include in your application for certification a brief description of your basis.

(c) *Production limit.* No manufacturer may produce more than 21,000 vehicles under this section in any consecutive three model year period. This means you may not exceed 6,000 in a given model year if the combined total for the previous two years was 15,000. The production limit applies with respect to all Class 7 and Class 8 tractors certified or exempted as vocational tractors. Note that in most cases, the provisions of paragraph (a) of this section will limit the allowable number of vehicles to be a number lower than the production limit of this paragraph (c).

(d) *Off-road exemption.* All the provisions of this section apply for vocational tractors exempted under § 1037.631, except as follows:

(1) The vehicles are required to comply with the requirements of § 1037.631 instead of the requirements that would otherwise apply to vocational vehicles. Vehicles complying with the requirements of § 1037.631 and using an engine certified to the standards of 40 CFR part 1036 are deemed to fully conform to all requirements applicable to vocational vehicles under this part.

(2) The vehicles must be labeled as specified under § 1037.631 instead of as specified in paragraph (b)(3) of this section.

§ 1037.631 Exemption for vocational vehicles intended for off-road use.

This section provides an exemption from the greenhouse gas standards of this part for certain vocational vehicles intended to be used extensively in off-road environments such as forests, oil fields, and construction sites. This section does not exempt the engine used in the vehicle from the standards of 40 CFR part 86 or part 1036. Note that you may not include these exempted vehicles in any credit calculations under this part.

(a) *Qualifying criteria.* Vocational vehicles intended for off-road use meeting either the criteria of paragraph (a)(1) or (a)(2) of this section are exempt without request, subject to the provisions of this section.